

VZCZCXYZ0000  
RR RUEHWEB

DE RUEHPE #4025/01 2832244  
ZNR UUUUU ZZH  
R 102244Z OCT 06  
FM AMEMBASSY LIMA  
TO RUEHC/SECSTATE WASHDC 2659  
INFO RUEHBO/AMEMBASSY BOGOTA 3994  
RUEHBU/AMEMBASSY BUENOS AIRES 2615  
RUEHCV/AMEMBASSY CARACAS 9829  
RUEHQT/AMEMBASSY QUITO 0739  
RUEHLP/AMEMBASSY LA PAZ OCT SANTIAGO 0900  
RUEHTG/AMEMBASSY TEGUCIGALPA 0730  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
RHEHAA/NATIONAL SECURITY COUNCIL WASHINGTON DC

UNCLAS LIMA 004025

SIPDIS

SENSITIVE  
SIPDIS

DEPT FOR H (JOHN REDDY)  
DEPT FOR WHA/AND, WHA/EPSC, EB/TPP  
COMMERCE FOR 4331/MAC/WH/MCAMERON  
USTR FOR BHARMAN AND MCARRILLO  
GENEVA FOR USTR

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [CODEL](#) [OVIP](#) [ELAB](#) [PGOV](#) [PE](#)

SUBJECT: CONGRESSMAN SMITH VISITS PERU TO DISCUSS FREE TRADE  
AGREEMENT

REF: STATE 161385

¶1. Congressman Adam Smith, Democrat from Washington, spent four days in Lima, Peru, (Oct 1-5) talking with government and private sector representatives about the potential impact of the Peru Trade Promotion Agreement (PTPA) on both countries' economies, and the state of current Peruvian labor laws, a bone of U.S. Congressional contention. Upon departing, he said he had not decided how he would vote, but he would try to make the case with his fellow Democrats. He said his overall impression was quite positive, and that he was impressed with the commitment by both the GOP and Peruvian civil society to ensure that the country's economic growth translated into a reduction of poverty. END SUMMARY.

#### PRO-GROWTH DEMOCRAT MEETS MINISTERS, BUSINESS

¶2. Describing himself as "pro-growth Democrat" who also supports strong labor rights, five-term Rep. Adam Smith (D, WA) spent four full days (October 1-5) in Lima, Peru, talking with Peruvian government officials, legislators, labor unions, large and small business groups, farmers, and NGOs about the Peru Trade Promotion Agreement (PTPA). He told his interlocutors that his principal concerns were the economic impact on the U.S. and Peruvian economies, as well as whether the PTPA would help reduce poverty and redistribute some of the wealth generated by trade. Rep. Smith urged GOP officials and business groups to contact Congressional Democrats, including House Ways and Means Ranking Minority Member Charles Rangel.

¶3. Upon departing, Rep. Smith, who is also a member of the House International Affairs Committee (HIRC), said his overall impression was positive. He noted that Peru was making progress on labor rights and said he believed there was a broad commitment on the part of the GOP and civil society to making progress. While telling his interlocutors he had not made up his mind on the vote, he indicated that he viewed the PTPA in a favorable light and that he would work to persuade fellow Democrats to support the agreement. Fortunately, Peru is undergoing a complete review of its labor law, and Rep. Smith urged key GOP officials, including the Foreign Minister, the Trade Minister, the Labor Minister and the Agriculture Minister to highlight and promote this fact before next month when he expected the White House to send the PTPA implementation B:@